

**Hartford Life Insurance Company Rate Filings For
Medicare Supplement Insurance
Policy Forms PA-8343MA-CORE, PA-8343MA-1, and PA-8343MA-2**

Decision

On April 5, 2004, Hartford Life Insurance Company (“Hartford”) submitted a request to the Division of Insurance (“Division”), pursuant to G.L. c. 176K, §7 and 211 CMR 121.00, *et seq.*, for approval of its proposed Medicare Supplement Insurance Rates. Hartford’s filing requests a 4.5 % increase for its Supplement 1 Plan (policy form PA-8343MA-1); and a 23.0% increase for its Supplement 2 Plan (policy form PA-8343MA 2). Hartford requests no change in the current rate for its Core Benefit Plan (policy form PA-8343MA-CORE). Hartford proposes an effective date of July 1, 2004. All of these plans are closed to new enrollment. By notice dated April 12, 2004, a public hearing, prehearing conference, and technical conference on the filing were scheduled for May 5, 2004. (Exhibit 1). The Attorney General (“AG”) was represented by Susan M. Flanagan-Cahill, Esq., and the State Rating Bureau (“SRB”) was represented by Norma J. Brettell, Esq. Steven L. Goldblatt, Esq., represented Hartford. The Commissioner designated me as the presiding officer in this matter.

At the public hearing, Mr. Goldblatt stated that Hartford was mindful of the impact that rate increases may have on its policyholders, but that it believes the requested increases are needed to ensure that premiums are adequate to pay for future losses and maintain Hartford’s standards of service. On behalf of the AG, Ms. Cahill asserted that

Hartford's requested increases raise numerous issues of actuarial judgment and of fairness to the policyholder, and asked that the Commissioner reject or modify all parts of the proposed increases that are excessive and unreasonable. Ms. Brettell, on behalf of the SRB, stated that the SRB recognizes that many senior citizens have financial constraints, and its recommendation in this proceeding will reflect a careful review by the SRB's legal and technical staff, and a thorough examination of the materials presented by the witnesses for Hartford. No other person or entity sought to testify, intervene or otherwise formally participate at the hearing. The parties waived the technical conference during the prehearing conference.

Hartford's filing includes an actuarial memorandum with supporting exhibits and written testimony of Ahmed Shaher, FSA, MAAA, Director of Actuarial Services for the Association/Affinity Markets for Hartford; a legal opinion of compliance; a certification of notice to policyholders; copies of model notice letters to insureds; a summary of cost containment and utilization review procedures; and copies of the affected policy forms. (Exhibits 2 and 3).

On May 26, 2004, a hearing was held to address a stipulation submitted by the parties. All three parties were in attendance. In the stipulation, the parties agree to a 4.5 percent rate increase for the Supplement 1 Plan, and a 14.0 percent rate increase for the Supplement 2 plan. In addition, the parties agree that the Core Benefit Plan rate will remain unchanged from the current rate. The rates will be effective for all policies on and after July 1, 2004, and will be applied to policies as the premiums become due.¹ The stipulation provides that none of the parties will object to, or appeal from, the approval of the rates and forms of Hartford's policy number PA-8343-MA, as listed in Exhibit A of the stipulation. In addition, Hartford will send notification letters to its Medicare Supplement subscribers no later than May 31, 2004. A copy of the stipulation is attached to this decision and incorporated herein by reference.

¹ Under the stipulation, for Core, the monthly rate will be \$ 81.55 and the quarterly rate will be \$ 244.65. For Supplement 1, the monthly rate will be \$130.69 and the quarterly rate will be \$392.07. For Supplement 2, the monthly rate will be \$545.06 and the quarterly rate will be \$1,635.18.

CONCLUSION

Based on the record of this proceeding and the stipulation submitted by the parties, I find that the proposed rates will not be excessive, inadequate, or unfairly discriminatory, or unreasonable in relation to the benefits provided, and will meet the standards set forth in G.L. c. 176K, §§ 7(d) and 7(g). Therefore, the stipulation is approved.

So Ordered.

Dated: May 28, 2004

Susan H. Unger
Presiding Officer

Dated: May 28, 2004

Julianne M. Bowler
Commissioner of Insurance